STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY	:	
d/b/a NATIONAL GRID – ELECTRIC AND GAS	:	DOCKET NO. 4780
DISTRIBUTION RATE FILING	:	

COMMISSION'S FIRST SET OF DATA REQUESTS
DIRECTED TO NATIONAL GRID
(Issued May 4, 2018)

Performance Incentive Mechanisms and PST

1-1. Niagara Mohawk agreed to a metric designed to provide an incentive for the Company to reduce the number of residential service terminations for non-payment while decreasing, or maintaining, the level of bad debt from residential accounts based on a five-year average.
   a. Please explain the mechanisms available in New York which would enable the Company to meet the metric.
   b. Are those mechanisms available in Rhode Island?
   c. What are the differences in New York regulations and Rhode Island regulations that would affect (positively or negatively) the ability of Narragansett Electric or Narragansett Gas to work toward meeting such a metric?

1-2. Please complete the following table for the years 2012-2017, where the example below is the for year 2012 only, and provide the data in a machine-readable file. Further:

- please be sure to indicate where National Grid believes the entries are not applicable, unknown, or zero;
- for all monetary values, please use nominal dollars;
- for each year requested, please use the program year that overlapped the most with the calendar year, and indicate which program years were used in the response (e.g., for year 2018, use ISR FY2017;
- for "company earnings" related to incentives, please use the (nominal dollar) value National Grid collected for the program year achievement, whether it was concurrent with or after the program year; and
- for "company earnings" related to capital investment, please use the (nominal dollar) value of earnings included in the revenue requirement that was calculated after any applicable annual reconciliations.

Table to accompany PUC-1-2

	2012									
	Nameplate Capacity (Generation Only)	kWh Saved or Generated	Avoided Transmission Peak kW	Avoided Bulk System kW	Avoided Distribution System kW	Avoided CO2	Participants	Net savings	Program Cost	Company Earnings
Energy Efficiency										
System Reliability Procurement										
Infrastructure, Safety, Reliability (e.g. VVO/CVR)										
Renewable Energy Growth										
Long-term Contracts										
DG Contracts										
Net Metering										
Renewable Energy Standard										

1-3. For each year in the response to 1-2, please provide the following:

a. The minimum, maximum, and average Program Cost for each Outcome Category for that year;
b. The minimum, maximum, and average Company Earnings for each Outcome Category for that year.

1-4. Please complete the table above for all programs and sub-programs proposed by National Grid in Docket 4780 that are associated with a performance incentive in Chapter 9, Section 3. For each program or subprogram, highlight (color or bold font) the metric National Grid has proposed at the metric for determining performance and related incentives. Please use the target achievement and incentive for this table.

1-5. For all programs and sub-programs proposed by National Grid in Docket 4780 that are associated with a performance incentive in Chapter 9, Section3, and that propose a range of achievement levels and associated incentives:

a. Provide the $/metric value for each proposed achievement level;
b. For any responses in part a that do not have a uniform $/metric value for all achievement levels, please provide a justification for the variation.
c. For any proposed $/metric value in part b that is above of the ranges identified in PUC 1-3.b for 2016 and 2017, please provide a justification for the value being above the range.

1-6. What is the Company's current expectation of the cost of RGGI allowances and Renewable Energy Certificates (RECs) over the next three years?

1-7. How much CO2 does company expect is abated by purchase of a single RGGI allowance and REC?

1-8. Is the Company’s expected cost/tonCO2 for RGGI allowances or RECs less than the Company's estimate of the value of a ton of CO2?

1-9. Is the Company’s expected cost/tonCO2 for RGGI allowances or RECs less than any of the Company’s expected cost/tonCO2 in the Company’s Electric Heat Initiative?

1-10. Was the voluntary purchase of RECs and RGGI when the price of each is below a certain price, such as the company's benchmark for CO2, considered for meeting the Company's GHG reduction targets?

1-11. Please provide the expected or target rebate, per month, that would be paid to participant in the EV Off-Peak Charging Rebate program. Please indicate which months are summer which months are winter rebate months. Please provide the number of hours participants are expected to charge their vehicles per month during on- and off-peak hours. Please reference or include supporting material, and indicate which are Rhode Island-specific data.

1-12. In National Grid's response to Sierra Club 1-16 in Docket No. 4780, National Grid states, "As part of the EV Off-Peak Charging Rebate, the Company will evaluate the technical capability of Level 2 electric vehicle supply equipment to function as residential revenue-grade meters.

a. In what way will this evaluation be similar to the streetlight metering pilot conducted as part of Docket No. 4513? In what ways will it be similar?
b. Why does National Grid believe the results of the proposed study will be different from the results of the study conducted in Docket No. 4513?

1-13. Regarding the proposal to electrify portions of National Grid's fleet:

a. Where will these vehicles be housed, recharged, and registered?
b. Will the vehicles be used in other jurisdictions? If so, will some of the costs of these vehicles be paid for by ratepayers in other jurisdictions?

1-14. In National Grid's response to Sierra Club 1-24 in Docket No. 4780, National Grid states, "Although funding for the beneficial heat electrification will originate from both the EE and PST programs, most part of the implementation and delivery… will be undertaken by the same internal staff."

a. How will employees understand when they are working on EE versus PST initiatives?
b. How will these employees' time be tracked and accounted for appropriately in the different programs' administrative costs.
c. For electric heating activities that are identical in the EE and PST programs, would National Grid's metric achievement measurement and incentive structure identical for these activities? If not, why not?

1-15. For any PST program or subprogram described as a "pilot" or "demonstration" by the National Grid

a. Please confirm that the primary objective of the activity is to learn.
b. For each activity that also would count toward a proposed incentive and <u>is</u> supported by capital spending, please explain why an incentive beyond the return on investment is justified.
c. For each activity that also would count toward a proposed incentive and <u>is not</u> supported by capital spending, please confirm that no existing program incentive or proposed program incentive could apply to the activity in the case that the Company's pilot or demonstration leads to a full-fledged program deployment.

1-16. Regarding National Grid's proposed increase to the Residential customer charge:

a. What, increase to National Grid proposed to the Residential distribution charge would be necessary to achieve the proposed revenue requirement if the customer charge remained at $5/customer-bill?
b. What would be the average annual value of such an increase to existing residential net metering customers? Please provide the number of existing residential net metering customers and their annual kWh generation used to respond to this data request.

1-17. In National Grid's response to Division 8-12 in Docket No. 4770 (Division 2-12 in Docket No. 4780), National Grid describes the undepreciated costs associated with existing meters that are replaced by AMI meters as "sunk costs and, therefore, should not be factored into the benefit-cost analysis." For simplicity, assume book life is equal to useful life, and meters are replaced when they are fully depreciated.

Regarding costs, in both the case that AMI are installed, and the case they are not installed, customers cannot avoid paying the undepreciated cost for the existing meters, and in that sense the undepreciated cost for the meters appear to be sunk costs, and thus should not be included as a cost category of the benefit-cost analysis.

Turning to benefits, if AMI are installed, customers will lose the value of the remaining metering life of the existing meters. However, if AMI are not installed, customers will get to use the remaining metering life of the existing meters—thus customers can avoid losing the value of the remaining metering life. Please explain why the different outcomes related to this (negative) benefit category (i.e., the remaining value to customers in existing meters) is not considered in National Grid's cost-benefit analysis.